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18 UNITED STATES DISTRICT COURT
19 SOUTHERN DISTRICT OF CALIFORNIA

20 MAIL BOXES ETC., INC., and UNITED
21 PARCEL SERVICE OF AMERICA, INC.

22 Plaintiffs,

23 v.

24 UNITED POSTAL BUSINESS CENTER,
25 JOSEPH CHAN, individually, STANLEY
26 CHAN, individually,

27 Defendants.

Case No. 08-CV-1383 LAB (BLM)

**MAIL BOXES ETC., INC.'S *EX PARTE*
APPLICATION FOR TEMPORARY
RESTRAINING ORDER; MEMORANDUM
OF POINTS AND AUTHORITIES IN
SUPPORT OF APPLICATION FOR
TEMPORARY RESTRAINING ORDER**

Date: August 18, 2008

Time: 12:00 p.m.

Judge: Hon. Larry Burns

Place: Courtroom 9

ORAL ARGUMENT REQUESTED

TABLE OF CONTENTS

INTRODUCTION1

STATEMENT OF FACTS.....1

Defendants' Unauthorized Use of the Marks3

ARGUMENT6

 I. MBE IS ENTITLED TO A TEMPORARY RESTRAINING ORDER ON
 ITS SECTION 43(a) CLAIM6

 A. MBE Has A Strong Probability Of Success On The Merits.....7

 1. *The Marks Are Valid And Protectible Trademarks7*

 2. *SPI' Continued use Of The MBE Marks Is Likely To
 Confuse Consumers9*

 B. MBE Will Suffer Irreparable Harm If The Requested Temporary
 Restraining Order Is Not Granted And There Is No Adequate
 Legal Remedy 11

 C. The Balance of Hardships Tips Sharply In MBE's Favor 12

 D. Granting A Temporary Restraining Order In Favor Of MBE
 Advances The Public Interest 14

CONCLUSION14

TABLE OF AUTHORITIES

CASES

<i>Abercrombie & Fitch Co. v. Moose Creek, Inc.</i> , 486 F.3d 629 (9th Cir. 2007).....	10
<i>AMF Inc. v. Sleekcraft Boats</i> , 599 F.2d 341 (9th Cir. 1979)	9, 10
<i>Apple Computer, Inc. v. Formula Int'l, Inc.</i> , 725 F.2d 521 (9th Cir. 1984)	11, 12
<i>Applied Info. Sci. Corp. v. eBay, Inc.</i> , 511 F.3d 966 (9th Cir. 2007)	8, 9
<i>Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.</i> , 457 F.3d 1062 (9th Cir. 2006).....	9, 10, 11
<i>Brookfield Communications, Inc. v. West Coast Entm't Corp.</i> , 174 F.3d 1036 (9th Cir. 1999).....	7, 9, 11
<i>Burger King Corp. v. Majeed</i> , 805 F. Supp. 994 (S.D. Fla. 1992).....	13
<i>Cadence Design Sys. Inc. v. Avant! Corp.</i> , 125 F.3d 824 (9th Cir. 1997).....	13
<i>Century 21 Real Estate Corp. v. Sandlin</i> , 846 F.2d 1175 (9th Cir. 1988).....	6
<i>Church of Scientology Int'l v. Elmira Mission</i> , 794 F.2d 38 (2d Cir. 1986)	6
<i>Entrepreneur Media, Inc. v. Smith</i> , 279 F.3d 1135 (9th Cir. 2002)	10
<i>Helene Curtis Indus., Inc. v. Church & Dwight Co.</i> , 560 F.2d 1325 (7th Cir. 1977).....	13
<i>Johnson Controls, Inc. v. Phoenix Control Sys., Inc.</i> , 886 F.2d 1173 (9th Cir. 1989).....	12
<i>Hollywood Athletic Club Licensing Corp. v. Ghac-Citywalk</i> , 938 F. Supp. 612 (C.D. Cal. 1996).....	12
<i>KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.</i> , 408 F.3d 596 (9th Cir. 2005).....	7
<i>Krause Int'l, Inc. v. Reed Elsevier, Inc.</i> , 866 F. Supp. 585 (D.D.C. 1994)	13
<i>Lozano Enters. v. LA Opinion Publishing Co.</i> , No. 96-cv-5969, 1997 U.S. Dist. LEXIS 20372 (C.D. Cal. July 30, 1997)	9
<i>Malarkey-Taylor Assocs., Inc. v. Cellular Telecommunications Indus. Ass'n</i> , 929 F. Supp. 473 (D.D.C. 1996).....	13
<i>Nichols v. Deutsche Bank Nat'l Trust Co.</i> , No. 07-cv-2039, 2007 WL 4181111 (S.D. Cal. Nov. 21, 2007)	6
<i>Nissan Motor Co., Ltd. v. Nissan Computer Corp.</i> , 89 F. Supp. 2d 1154 (C.D. Cal. 2000).....	12
<i>Phillip Morris Inc. v. Allen Distribs.</i> , 48 F. Supp. 2d 844 (S.D. Ind. 1999).....	13

1	<i>Phillip Morris USA Inc. v. Shalabi</i> , 352 F. Supp. 2d 1067 (C.D. Cal. 2004).....	14
2	<i>Polo Fashions, Inc. v. Dick Bruhn, Inc.</i> , 793 F.2d 1132 (9th Cir. 1986).....	13
3	<i>Rent-A-Center, Inc. v. Canyon Television & Appliance Rental, Inc.</i> , 944	
4	F.2d 597 (9th Cir. 1991)	6
5	<i>Resource Leaders, Inc. v. Source Solutions, Inc.</i> , 404 F. Supp. 2d 1232	
6	(E.D. Cal. 2005).....	13, 14
7	<i>Roe v. Anderson</i> , 134 F.3d 1400(9th Cir. 1998).....	6
8	<i>Sunward Electronics, Inc. v. McDonald</i> , 362 F.3d 17 (2d Cir. 2004).....	11
9	<i>Survivor Media, Inc. v. Survivor Productions</i> , 406 F.3d 625 (9th Cir. 2005).....	9
10	<i>Thane Int'l, Inc. v. Trek Bicycle Corp.</i> , 305 F.3d 894 (9th Cir. 2002).....	10
11	<i>Tillamook County v. U.S. Army Corps. of Engineers</i> , 288 F.3d 1140	
12	(9th Cir. 2002).....	6
13	<i>United Parcel Service of America, Inc. v. Package America, Inc.</i> ,	
14	No. 96-cv-01252, 1996 WL 376610 (N.D. Cal.	
15	May 9, 1996).....	8, 9
16	<i>Wrobel v. S.L. Pope & Assocs.</i> , No. 07-cv-1591, 2007 U.S. Dist. LEXIS	
17	59779 (S.D. Cal. Aug. 15, 2007)	6

STATUTES

17	15 U.S.C. § 1065.....	8
18	15 U.S.C. § 1115(a)	7
19	15 U.S.C. § 1125(a)	7, 9

TREATISE

21	3 J. Thomas McCarthy, <i>Trademarks and Unfair Competition</i> § 23.3	
22	(4th ed. 2002).....	11

1 PLEASE TAKE NOTICE THAT Plaintiff Mail Boxes Etc., Inc. will and hereby does
2 bring this *ex parte* application for a temporary restraining order against Defendants.

3 This application is made pursuant to Rule 65 of the Federal Rules of Civil Procedure. The
4 grounds for the application are set forth below. The application is based on this Application and
5 Memorandum of Points and Authorities in Support of Application, the Verified Complaint and
6 Exhibits, the Declarations of Don Higginson, Nancy Pemberton, Robert D. Rodriguez, and Peter
7 M. Ellis and Exhibits, and whatever other evidence and argument the court will hear.

8 Pursuant to Rule 83.3(h)(2) of the Local Rules for the Southern District of California,
9 Defendants have been advised of the *Ex parte* Application as detailed in the Declaration of Peter
10 M. Ellis filed concurrently herewith.

11 INTRODUCTION

12 In this action for the entry of a temporary restraining order, Plaintiff Mail Boxes Etc., Inc.
13 ("MBE" or "Plaintiff") seeks, among other things, to temporarily restrain Defendants United
14 postal Business Center ("UpBC"), Joseph Chan and Stanley Chan (collectively, the "Chans" or
15 the "Defendants") unlawful misuse of certain proprietary trade names and marks in connection
16 with their UpBC businesses (the "Marks"). UpBC is a competing postal, packaging, business and
17 communication retail service center, owned and operated by the Chans, who are also current
18 MBE franchisees.

19 Despite Plaintiff's demands to cease the unauthorized use of the trademarks, Defendants
20 continue to conduct UpBC business utilizing, among other things, the Marks without Plaintiff's
21 authorization or consent. In order to protect Plaintiff's goodwill, as well as the public from the
22 inevitable confusion occasioned by Defendants' infringement upon the Marks, MBE respectfully
23 requests that Defendants be temporarily restrained from using the Marks pending further order of
24 Court.

25 STATEMENT OF FACTS

26 MBE is a corporation organized and existing under the laws of the State of Delaware with
27 its principal place of business at 6060 Cornerstone Court West, San Diego, California. MBE is
28 the world's largest franchisor of independently owned and operated postal, packaging, business

1 and communication retail service centers, under the Mail Boxes Etc.[®] and The UPS Store[®] marks,
2 with more than 800,000 mailbox holders in the United States and thousands of locations
3 worldwide, offering mail and parcel receiving, packaging and shipping services and providing
4 small businesses with a wide range of products and services across the United States and
5 throughout the world. (Verified Compl. ¶ 4; Don Higginson Decl. ¶ 3.)

6 Since it was founded in 1980, MBE has continuously conducted its business by
7 franchising a standard, unique and uniform system for conducting the postal, business, and
8 communications centers. (Verified Compl. ¶ 11; Higginson Decl. ¶ 7.) Throughout its existence,
9 MBE has offered and provided services including: mailbox services with 24 hour access; copy
10 services; binding and laminating services; specialty paper services; fax services; postal services;
11 parcel shipping; freight shipping; packaging services; sale of shipping, packaging, mailing
12 supplies and office supplies; printing services; notary services; passport photograph services;
13 computer time rental; online services; among other services. These businesses are identified and
14 promoted to the general public under the trademark, service marks and trade names MAIL
15 BOXES ETC., MBE MAIL BOXES ETC., and The UPS Store[®]. (Verified Compl. ¶ 11;
16 Higginson Decl. ¶ 4.)

17 MBE grants franchises to qualified persons to own and operate franchise centers at
18 specific locations and licenses authorized franchisees to use MBE's proprietary trade names,
19 trade and service marks, logos, know-how and expertise within an exclusive territory designated
20 in the franchise agreement. (Verified Compl. ¶ 21; Higginson Decl. ¶ 8.) MBE provides its
21 franchisees with proprietary property, equipment and information, including its MBE operating
22 manuals, for use exclusively in connection with the operation of a franchised Mail Boxes Etc.[®] or
23 The UPS Store[®] Center. (Verified Compl. ¶ 22; Higginson Decl. ¶¶ 14-17). MBE franchise
24 centers are operated *via* uniform format, signs, equipment, layout, systems, methods, procedures
25 and designs, offer uniform products, and utilize certain trademarks, service marks, trade dress and
26 other commercial symbols, including "THE UPS STORE[®]." (Verified Compl. ¶ 23; Higginson
27 Decl. ¶ 12.)

28 ////

1 With thousands of Mail Boxes Etc.[®] and The UPS Store[®] franchisees nationwide, MBE is
 2 the predominant leader in this industry. (Verified Compl. ¶ 24; Higginson Decl. ¶ 7.) Through
 3 its more than twenty years of experience, MBE has developed unique, proprietary business
 4 knowledge upon which the franchisee business model is specifically formulated. (Verified
 5 Compl. ¶ 24; Higginson Decl. ¶ 7.) This information is shared with MBE's carefully selected
 6 franchisees through training and continuous business support, and provides the foundation upon
 7 which MBE franchisees successfully operate postal, business and communications centers in
 8 markets throughout the United States and abroad. (Verified Compl. ¶ 2; Higginson Decl. ¶ 7.)

9 United Parcel Service of America, Inc. ("UPS") is a corporation organized and existing
 10 under the laws of the State of Delaware with its principal place of business at 55 Glenlake
 11 Parkway NE, Atlanta, Georgia 30328. (Verified Compl. ¶ 5.) UPS is the owner of the Marks at
 12 issue in this case and licenses those marks to MBE. MBE is a wholly-owned subsidiary of UPS.
 13 (Verified Compl. ¶ 4.)

14 Defendants Joseph Chan and Stanley Chan are citizens of the State of California and since
 15 September 12, 2003, have owned and operated a The UPS Store[®] branded franchise pursuant to a
 16 written franchise agreement located at 180 Golf Club Road, Pleasant Hill, California ("Center
 17 2701") (Verified Compl. ¶ 27.) UpBC is a California corporation, owned and operated by the
 18 Chans (Verified Compl. ¶ 8.)

19 DEFENDANTS' UNAUTHORIZED USE OF THE MARKS

20 Sometime between 2004 and 2007, the Chans began operating four UpBC businesses
 21 while also operating Center 2701 in violation of the in-term obligations of the Chans' franchise
 22 agreement for Center 2701. (Verified Compl. ¶ 37.) The UpBC businesses offer nearly the
 23 identical services as an authorized The UPS Store[®] franchise location, including, among other
 24 things, packing, shipping and copying services. (Verified Compl. ¶ 38.) In fact, the UpBC
 25 website (www.upbc.biz) boasts:

26 We are one of the largest shippers of UPS in Contra Costa County...
 27 We specialized [*sic*] in packaging and shipping electronic
 28 equipment, antiques, and many hard to ship items... We offer the
 following services:

- Mobile Notary Public Services
- Offer lowest UPS retail shipping rate
- FREE quotes and pickup for business accounts
- One of the largest shipping and packaging materials suppliers
- Sales inserts and coupons design and bulk mailing services
- Friendly, courteous and well-trained professional staff
- Expert packaging services for all your fragile items
- Oversize freight shipments - anywhere in the world!
- Full or self services copying and binding services

A true and correct copy of the UpBC website is attached to the Verified Complaint as Exhibit D.

Defendants also advertise to the consuming public that the UpBC locations are UPS authorized shipping outlets ("ASOs"). A true and correct copy of photographs of the San Leandro and Berkley UpBC locations is attached to the Verified Complaint as Exhibit E. (Verified Compl. ¶ 40; Pemberton Decl. ¶ 5, Ex. 1.) In conducting the UpBC business, Defendants have placed UPS signage in the interior of the stores and in the windows of the businesses without obtaining authorization to do so. (Verified Compl. ¶ 41; Pemberton Decl. ¶¶ 5-6, Ex. 1.) In fact, UPS has not granted ASO status to any of the UpBC business locations although the Defendants advertise the businesses to the consuming public as authorized ASOs. (Verified Compl. ¶¶ 40-43.) Without being designated as an ASO, Defendants are not authorized to use or display the Marks in connection with their UpBC businesses. (Verified Compl. ¶ 43; Higginson Decl. ¶¶ 8, 16.) Additionally, in connection with the operation of at least one of the UpBC locations, Defendants have used the same form MBE receipt which bears the Marks and which MBE makes available only to authorized MBE franchisees through MBE proprietary software. (Rodriguez Decl. ¶¶ 4-5, Ex. 1). A true and correct copy of a receipt issued from the Berkley, California UpBC location is attached to the Verified Complaint as Exhibit F and to the Rodriguez Declaration as Exhibit 1.

On July 1, 2008, a cease and desist letter was sent to the Defendants reminding them of their in-term obligations under their franchise agreement for Center 2701 and demanding that the

Chans cease all unauthorized use of the Marks. (Verified Compl. ¶¶ 46-50; Higginson Decl. ¶ 19.) A true and correct copy of the July 1, 2008 Cease and Desist Letter is attached to the Verified Complaint as Exhibit G. Specifically, the July 1, 2008 letter stated:

As you are well aware, 180 Golf Club Blvd. is, in fact, the designated location of The UPS Store® Center 2701 and yet, you are actively advising MBE customers that the business is both a UpBC store *and* a The UPS Store®. Further, the two additional current UpBC locations are located within close proximity to other MBE Centers. Operation of each of these UpBC stores constitutes a material breach of your obligations under the Non-Competition and Non-Solicitation Agreement (the "Non-Competition Agreement") executed in connection with the Franchise Agreement. Specifically, this conduct violates the in-term contractual obligations of the Non-Competition Agreement, not to "own, maintain, engage in, be associated with, be employed by, advise, assist, invest in, be landlord to, franchise, make loans to or have any interest in any business which is the same or competitive with or substantially similar to any Mail Boxes Etc. or The UPS Store® Center."

The July 1, 2008 letter further advised that:

[I]t is our understanding that you are utilizing MBE's proprietary trade dress and operating systems (including certain signage, printed receipts and the MBE Mailbox Service Agreement, among other things) in connection with your operation of at least one of the UpBC locations. This conduct constitutes a violation of federal and state trademark laws as well as trade secret infringement. MBE demands that you immediately cease all unauthorized use of its Marks and Systems.

Finally, the July 1, 2008 letter confirmed that "MBE will not tolerate your unauthorized use of the MBE Marks and Systems or blatant breach of the Non-Competition Agreement and UPS Contract Carrier Agreement." (Verified Compl. ¶¶ 46-50; Higginson Decl., Ex. 1.) Defendants' continued operation of the UpBC locations and use of the Marks in connection therewith has and continues to damage the Marks and MBE's goodwill and reputation.

Defendants' continued use of the Marks constitutes a violations of federal and California trademark law. (Verified Compl. ¶¶ 52-104.) Indeed, Defendants' use of the Marks, and in particular, the use on the Mail Boxes Etc. form receipt, is intended to confuse, and will confuse, consumers into believing that the UpBC businesses are ASOs, licensed UPS shippers or affiliated with Plaintiffs. (Verified Compl. ¶¶ 53, 73, 79-80; Higginson Decl. ¶ 18.) Defendants' continued

1 use of the Marks in connection with the UpBC businesses has and continues to damage the Marks
 2 and UPS' goodwill and reputation. (Verified Compl. ¶¶ 51, 56, 61, 65, 70, 75, 80; Higginson
 3 Decl. ¶ 19.)

4 ARGUMENT

5 **I. MBE IS ENTITLED TO A TEMPORARY RESTRAINING ORDER ON ITS** 6 **SECTION 43(a) CLAIM.**

7 Courts generally issue preliminary injunctive relief in trademark infringement cases.
 8 *Church of Scientology Int'l v. Elmira Mission*, 794 F.2d 38, 41 (2d Cir. 1986) ("For many years
 9 we have consistently held that a preliminary injunction should usually issue when the use of a
 10 mark creates a likelihood of confusion in the consumers' minds as to the ownership or
 11 sponsorship of a product."). "Injunctive relief is the remedy of choice for trademark and unfair
 12 competition cases, since there is no adequate remedy at law for the injury caused by a defendant's
 13 continuing infringement." *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1180-81 (9th
 14 Cir. 1988).

15 An applicant for a temporary restraining order must meet the same standards applicable to
 16 the issuance of a preliminary injunction. *Wrobel v. S.L. Pope & Assocs.*, No. 07-cv-1591, 2007
 17 WL 2345036, at *1 (S.D. Cal. June 15, 2007). The moving party must show either: "(1) a
 18 combination of probable success on the merits and the possibility of irreparable injury or (2) that
 19 serious questions are raised and the balance of hardships tips sharply in its favor." *Rent-A-*
 20 *Center, Inc. v. Canyon Television & Appliance Rental, Inc.*, 944 F.2d 597, 602 (9th Cir. 1991);
 21 *Nichols v. Deutsche Bank Nat'l Trust Co.*, No. 07-cv-2039, 2007 WL 4181111, at *2 (S.D. Cal.
 22 Nov. 21, 2007). These two tests represent two points on a sliding scale in which the required
 23 probability of success decreases as the degree of irreparable harm increases. *Roe v. Anderson*,
 24 134 F.3d 1400, 1402 (9th Cir. 1998); see *Tillamook County v. U.S. Army Corps. of Engineers*,
 25 288 F.3d 1140, 1143 (9th Cir. 2002) (discussing that "[t]hese are not alternative tests but, instead,
 26 are extremes of a single continuum."). Here, Defendants' unauthorized use of the Marks
 27 constitutes a blatant violation of the Lanham Act. And an injunction in the form of a temporary
 28 restraining order must issue to protect MBE's valuable interests in such marks.

A. MBE HAS A STRONG PROBABILITY OF SUCCESS ON THE MERITS.

In the Verified Complaint, MBE has alleged a claim for trademark infringement in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). In order to prevail on this claim, Plaintiffs must establish that: (1) the Marks are owned by it and are valid and legally protectible; and (2) the Defendants use of the Marks to identify goods or services is likely to create confusion concerning the origin of the goods or services. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 601 (9th Cir. 2005); *see also Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999). In this case, it is virtually indisputable that the Marks are valid, that Defendants are infringing on those Marks, and that the infringement will result in customer confusion.

1. The Marks Are Valid And Protectible Trademarks.

The federal registration of a trademark with the United States Patent and Trademark Office constitutes “prima facie evidence of the validity of the registered mark . . . and of the registrant’s exclusive right to use the registered mark.” 15 U.S.C. § 1115(a). UPS is the owner of the following trademarks, to which it has granted an exclusive license to MBE, on the Principal Register of the United States Patent and Trademark Office:

REGISTRATION /APPLICATION NUMBER	DESCRIPTION OF MARK	PRINCIPAL OR SUPPLEMENTAL REGISTER	REGISTRATION DATE	CLASS
2,884,954	THE UPS STORE	Principal	Sept. 14, 2004	9, 35, 38, 39
76/442,507	UPS STORE	Principal	Pending	9
76/491,153	UPS STORE	Principal	Pending	35, 39
78/818,815	TUPSS	Principal	Pending	36
2,978,624	UPS & Stylized Shield Device (b/w)	Principal	July 26, 2005	36
2,978,625	UPS & Stylized Shield Device (color)	Principal	July 26, 2005	39
2,867,999	UPS & Stylized Shield Device (b/w)	Principal	July 27, 2004	39

REGISTRATION /APPLICATION NUMBER	DESCRIPTION OF MARK	PRINCIPAL OR SUPPLEMENTAL REGISTER	REGISTRATION DATE	CLASS
2,868,000	UPS & Stylized Shield Device (color)	Principal	July 27, 2004	9, 16, 22, 35, 38, 42
2,973,108	UPS & Stylized Shield Device (b/w)	Principal	July 19, 2005	9, 16, 25, 35, 38, 42
2,981,794	UPS & Stylized Shield Device (color)	Principal	August 2, 2005	9, 16, 25, 35, 38, 42
2,973,599	UPS & Stylized Shield Device (color)	Principal	July 19, 2005	35, 36, 41
2,965,392	UPS & Stylized Shield Device (b/w)	Principal	July 5, 2005	35, 36, 41
78/441,655	UPS & Stylized Shield Device (b/w)	Principal	Pending	24, 28
2549434	MBEMAIL	38	Principal	3/19/02
2348287	MBE	35	Principal	5/9/00
1505212	MBE MAIL BOXES ETC Design	39	Principal	9/20/88
1726118	MBE & Design	35, 38, 39	Principal	10/20/92

UPS' registration and continuous use of the Marks with the United States Patent and Trademark Office grants them "incontestable" status under the Lanham Act, 15 U.S.C. §1065, and the marks are therefore presumptively valid. *See Applied Info. Sci. Corp. v. eBay, Inc.*, 511 F.3d 966, 970 (9th Cir. 2007) ("Registration ... discharges the plaintiff's original common law burden of proving validity in an infringement action."); *United Parcel Service of America, Inc. v. Package America, Inc.*, No. 96-cv-01252, 1996 WL 376610, at *2 (N.D. Cal. May 9, 1996) ("UPS has registered and continuously used a number of marks, including the block letters 'UPS.' UPS's marks have attained incontestable status.").

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1 **2. Defendants' Continued Use Of The Marks Is Likely To Confuse**
 2 **Consumers.**

3 Because the Marks are *prima facie* valid, in order to prove trademark infringement under
 4 Section 43(a) of the Lanham Act, MBE need only establish that the marks at issue are likely to be
 5 confused with the Marks. *Applied Info. Sci. Corp.*, 511 F.3d at 970. Here, there can be no
 6 question that Defendants' continued, unauthorized use of the exact Marks, at the UpBC locations,
 7 on store signage and on transaction receipts, will cause consumer confusion. Accordingly,
 8 Defendants' conduct constitutes trademark infringement in violation of Section 43(a) of the
 9 Lanham Act.

10 The Ninth Circuit employs an eight-factor test (the "*Sleekcraft*" factors) to determine the
 11 likelihood of confusion: (1) strength of the marks; (2) relatedness of the goods; (3) similarity of
 12 the marks; (4) evidence of actual confusion; (5) marketing channels; (6) degree of consumer care;
 13 (7) defendant's intent; and (8) likelihood of expansion. *Survivor Media, Inc. v. Survivor*
 14 *Productions*, 406 F.3d 625, 631 (9th Cir. 2005); *see also AMF Inc. v. Sleekcraft Boats*, 599 F.2d
 15 341, 348-49 (9th Cir. 1979). Where, as here, the defendant uses exact copies of plaintiff's
 16 distinctive marks¹ to offer competing goods to the same customer base, the first five *Sleekcraft*
 17 factors are satisfied. *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.*, 457 F.3d 1062,
 18 1076 (9th Cir. 2006); *accord Brookfield Communications*, 174 F.3d at 1054 ("the more similar
 19 the marks in terms of appearance, sound, and meaning, the greater the likelihood of confusion.").
 20 Indeed, such cases present an easy analysis in terms of likelihood of confusion. *Au-Tomotive*
 21 *Gold*, 457 F.3d at 1076; *accord Lozano Enters. v. LA Opinion Publishing Co.*, No. 96-cv-5969,
 22 1997 U.S. Dist. LEXIS 20372, at *9 (C.D. Cal. July 30, 1997) ("Where ... the defendant uses the
 23 identical mark on competitive goods ..., the confusion test ... is open and shut.").

24 In this case, because Defendants are actually using the Marks in conducting a competing
 25 business, the court need not examine all of the *Sleekcraft* factors. *See Survivor*, 406 F.3d at 631

26 ¹ In *United Parcel Service of America, Inc. v. Package America, Inc.*, No. 96-cv-01252, 1996 WL
 27 376610 (N.D. Cal. May 9, 1996), the court found that "UPS's trademarks are strong": "[T]he
 28 marks have been used extensively by UPS for over sixty years, and have a high level of public
 recognition." *Id.* at *2.

(discussing that courts may examine some or all of the factors, depending on their relevance and importance); *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 901 (9th Cir. 2002). (“The list of factors is not a score-card-whether a party wins a majority of the factors is not the point. Nor should the factors be rigidly weighed; we do not count beans.”). In any event, the last three *Sleekcraft* factors also weigh in favor of finding a high degree of customer confusion.

The sixth *Sleekcraft* factor, degree of consumer care, is analyzed on a sliding scale: “Confusion is less likely where buyers exercise care and precision in their purchases, such as for expensive or sophisticated items.” *Au-Tomotive Gold*, 457 F.3d at 1076; see *Abercrombie & Fitch Co. v. Moose Creek, Inc.*, 486 F.3d 629, 634-35 (9th Cir. 2007) (discussing that when the relevant customers are professional buyers, they are less likely to be confused than are ordinary consumers). The cost of packing and shipping services makes it less likely that the typical buyer exercising ordinary caution will show a high degree of care, and therefore, there is a high likelihood of customer confusion.

The seventh *Sleekcraft* factor, defendant’s intent, also establishes that Defendants’ use of the Marks will cause a high likelihood of customer confusion. “When the alleged infringer knowingly adopts a mark similar to another’s, reviewing courts presume that the defendant can accomplish his purpose: that is, that the public will be deceived.” *Abercrombie & Fitch*, 486 F.3d at 637 (quoting *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1148 (9th Cir. 2002)). In this case, because the public will likely be deceived by Defendants’ use of the Marks in the UpBC locations without Plaintiff’s authorization or consent, on store signage and on transaction receipts, there is a high likelihood of customer confusion.

Finally, the eighth *Sleekcraft* factor, likelihood of expansion, favors finding that there is a high likelihood of customer confusion. “Inasmuch as a trademark owner is afforded greater protection against competing goods, a ‘strong possibility’ that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing.” *Sleekcraft Boats*, 599 F.2d at 354. Here, at least two of Defendants’ UpBC locations had the “UPS” signage prominently displayed both in its front window and inside the store on a

///

1 banner that also states that the location is an ASO. (Verified Compl. ¶ 41; Pemberton Decl. ¶¶ 5-
2 6, Ex. 1.)

3 Although courts do not “bean count,” it is significant that all of the eight *Sleekcraft* factors
4 support a likelihood of confusion. *See Au-Tomotive Gold*, 457 F.3d at 1076 (stating that it was
5 “significant that six of the eight” factors supported likelihood of confusion; “the remaining two
6 [were] either neutral or irrelevant.”). More importantly, the strength of the Marks, Defendants’
7 intentional and exact copying of the Marks, and the direct competition for a specific and limited
8 consumer group, all weigh heavily in favor of a likelihood of confusion finding.

9 Therefore, MBE is likely to succeed on its trademark claim because Defendants have
10 continued to use the Marks to run a postal, packaging, business and communication retail service
11 center, without authorization to use such Marks. It is inevitable that consumers will be confused
12 into believing that the UpBC locations are authorized UPS ASOs and are similarly authorized to
13 use the Marks in connection with transaction receipts issued at such locations, when in actuality,
14 they are not authorized to do so. In fact, the leading commentator on trademarks calls such cases
15 “open and shut.” 3 J. Thomas McCarthy, *Trademarks and Unfair Competition* § 23.3 (4th ed.
16 2002).

17 **B. MBE WILL SUFFER IRREPARABLE HARM IF THE REQUESTED TEMPORARY**
18 **RESTRAINING ORDER IS NOT GRANTED AND THERE IS NO ADEQUATE LEGAL**
REMEDY.

19 In the instant case, Defendants are violating Plaintiff’s Marks with full knowledge that
20 they do not have permission to use those marks. Defendants are obviously doing this for profit
21 inasmuch as they are using the Marks in connection with a business enterprise. MBE’s likelihood
22 of success, as well as the fact that Defendants are violating Plaintiff’s Marks, are sufficient
23 grounds to presume that MBE is likely to suffer irreparable harm under controlling precedent.

24 If a plaintiff establishes that the defendant’s trademark infringement is likely to cause
25 consumer confusion, courts will presume, as a matter of law, that the plaintiff will suffer
26 irreparable harm to its reputation and goodwill. *Brookfield Communications*, 174 F.3d at 1066;
27 *Apple Computer, Inc. v. Formula Int’l, Inc.*, 725 F. 2d 521, 525 (9th Cir. 1984); *see also Sunward*
28 *Electronics, Inc. v. McDonald*, 362 F.3d 17, 25 (2d Cir. 2004) (“[W]hen in the licensing context

1 unlawful use and consumer confusion have been demonstrated, a finding of irreparable harm is
 2 automatic.”). Where, as here, a plaintiff has demonstrated the likelihood of success on trademark
 3 claims, irreparable harm must be presumed. *See Johnson Controls, Inc. v. Phoenix Control Sys.,*
 4 *Inc.*, 886 F.2d 1173, 1174 (9th Cir. 1989) (citing *Apple*, 725 F. 2d at 525).

5 MBE has demonstrated irreparable harm even absent this presumption, however. Plaintiff
 6 has invested millions of dollars over many years to establish its Marks in connection with its
 7 global mail and parcel receiving, packaging and shipping services and small business offerings.
 8 The worldwide recognition of the Marks, and the high quality associated with them, enables MBE
 9 to be the predominant leader in this industry. (Verified Compl. ¶ 24; Higginson Decl. ¶ 7.) The
 10 ability to protect the Marks by controlling both who uses them and how they are used is critical to
 11 MBE’s success. (Verified Compl. ¶ 24-26, 51; Higginson Decl. ¶¶ 16-17.) Defendants are using
 12 Plaintiff’s Marks to market and sell similar services in the same industry. In doing so, they use
 13 the Marks in such a manner as to deceptively create the impression that they are ASOs. *See*
 14 *Nissan Motor Co., Ltd. v. Nissan Computer Corp.*, 89 F. Supp. 2d 1154, 1164 (C.D. Cal. 2000)
 15 (holding that “irreparable injury [was] also apparent because the defendant [] trad[ed] on the
 16 plaintiffs’ goodwill and divert[ed] potential Nissan car customers to other websites.”). Because
 17 they are not ASOs, however, MBE cannot control how Defendants use or present the Marks, the
 18 quality of the service or product Defendants provide, or any of the other factors that can adversely
 19 affect the goodwill and value of the Marks.

20 Accordingly, Defendants’ infringing conduct establishes a likelihood of confusion that, in
 21 and of itself, satisfies MBE’s burden of demonstrating irreparable harm. There is also a
 22 presumption of irreparable harm because MBE is likely to prevail on the merits of its Section
 23 43(a) Lanham Act claim. Finally, irreparable injury is apparent because Defendants are trading
 24 on MBE’s goodwill.

25 C. THE BALANCE OF HARDSHIPS TIPS SHARPLY IN MBE’S FAVOR.

26 Not only is MBE irreparably harmed by Defendants’ continued unauthorized use of the
 27 Marks, but the balance of hardships tips sharply in MBE’s favor. In trademark infringement
 28 cases, where, as here, the plaintiff establishes a likelihood of consumer confusion, courts

1 presume, as a matter of law, that the balance of hardships sharply favors the plaintiff. *Resource*
 2 *Lenders, Inc. v. Source Solutions, Inc.*, 404 F. Supp. 2d 1232, 1249 (E.D. Cal. 2005). As a willful
 3 infringer, Defendants are entitled to little equitable consideration. *See Helene Curtis Indus., Inc.*
 4 *v. Church & Dwight Co.*, 560 F.2d 1325, 1333 (7th Cir. 1977) (the hardship of requiring one who
 5 willfully infringes another's mark to cease that infringement "merit[s] little equitable
 6 consideration."). "When considering the balance of hardships between the parties in infringement
 7 cases, courts generally favor the trademark owner." *Krause Int'l, Inc. v. Reed Elsevier, Inc.*, 866
 8 F. Supp. 585, 587-88 (D.D.C. 1994). Plainly, that is because "[o]ne who adopts the marks of
 9 another for similar goods acts at his own peril" because he has no claim to the profits or
 10 advantages derived thereby. *Burger King Corp. v. Majeed*, 805 F. Supp. 994, 1006 (S.D. Fla.
 11 1992).

12 Moreover, in intellectual property actions "where the plaintiff has made a strong showing
 13 of likely success on the merits," the balance of hardships issue "cannot be accorded significant –
 14 if any – weight" in determining whether or not to enjoin the use of infringing products. *Cadence*
 15 *Design Sys. Inc. v. Avant! Corp.*, 125 F.3d 824, 830 (9th Cir. 1997). In sum, the balance of
 16 harms, "cannot favor a defendant whose injury results from the knowing infringement of the
 17 plaintiff's trademark." *Malarkey-Taylor Assocs., Inc. v. Cellular Telecomms. Indus. Ass'n*, 929 F.
 18 Supp. 473, 478 (D.D.C. 1996); *see also id.* (collecting cases where courts found that one "who
 19 knowingly infringes another's copyright cannot complain of the harm that will befall it when
 20 properly forced to desist from its infringing activities.") (citations and quotations omitted).

21 In this case, the issuance of a temporary restraining order will not adversely affect any
 22 *legitimate* business operations, and Defendants will not suffer any cognizable hardship because
 23 they have no claim of right to use the Marks. *See Polo Fashions, Inc. v. Dick Bruhn, Inc.*, 793
 24 F.2d 1132, 1135 (9th Cir. 1986) ("If the defendants sincerely intend not to infringe, the injunction
 25 harms them little."). By contrast, the harm caused to MBE by Defendants' ongoing, unauthorized
 26 use of the Marks goes "straight to the heart" of its business as well as MBE's franchise business.
 27 *Phillip Morris Inc. v. Allen Distribs.*, 48 F. Supp. 2d 844, 855 (S.D. Ind. 1999).

28 /////

D. GRANTING A TEMPORARY RESTRAINING ORDER IN FAVOR OF MBE ADVANCES THE PUBLIC INTEREST.

Finally, the requested temporary restraining order serves the public interest. "It is well established that trademark law protects not only the private interest of the trademark owner but also the public's interest in not being confused by the infringing products." *Resource Lenders, Inc.*, 401 F. Supp. 2d at 1249. "Thus, the purchasing public is an unnamed party in every action for trademark infringement." *Phillip Morris USA Inc. v. Shalabi*, 352 F. Supp. 2d 1067, 1075 (C.D. Cal. 2004). Here, the issuance of a temporary restraining order would serve the public interest by ensuring that consumers are not misled. Consequently, for all of the foregoing reasons, a temporary restraining order should issue to protect MBE's legitimate interests in the Marks.

CONCLUSION

Mail Boxes Etc., Inc., for the forgoing reasons, respectfully requests the following relief pending further order of Court:

A. A temporary restraining order, enjoining Defendants, and their agents, servants and employees, and those persons in active concert or participation with them from:

1. using or displaying the Marks, or any other logos, symbols or trade dress in connection with advertising, distribution, or display for sale of any product or service;
2. making, in any manner whatsoever, any statement or representation, or performing any act, likely to lead members of the public to believe that defendants' store is in any manner, directly or indirectly, associated, affiliated, connected with, licensed, sponsored, authorized or approved by Plaintiffs;
3. taking any action, directly or indirectly, in any form or manner whatsoever, that is likely to dilute the distinctive quality of Plaintiffs' famous registered Marks or otherwise taking any action likely to cause tarnishment or disparagement to Plaintiffs' business reputation;
4. otherwise infringing UPS' or MBE's trade name, trademark or service marks, or otherwise competing unfairly with Plaintiffs in any manner;

B. An order requiring defendants to file with the Court and to serve upon MBE within ten (10) days after entry of any temporary restraining order, a written report, under oath, setting forth the manner in which defendants have complied with that order;

1 C. An award of attorneys' fees and costs; and

2 D. Such other and further relief as the Court deems just and proper.

3
4 Dated: August 6, 2008

5 **DLA PIPER US LLP**

6
7 By /s/ Timothy S. Blackford

8 Attorney for Plaintiffs
9 Mail Boxes Etc., Inc. and
10 United Parcel Service of America, Inc.
11 tim.blackford@dlapiper.com
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Attorney for Plaintiffs
MAIL BOXES ETC., INC. and UNITED PARCEL
SERVICE OF AMERICA, INC.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

MAIL BOXES ETC., INC., and UNITED
PARCEL SERVICE OF AMERICA, INC.

Plaintiffs,

v.

UNITED POSTAL BUSINESS CENTER,
JOSEPH CHAN, individually, STANLEY
CHAN, individually,

Defendants.

CASE NO. 08-CV-1383 LAB (BLM)

**DECLARATION OF PETER M. ELLIS IN
SUPPORT OF MAIL BOXES ETC., INC.'S
EX PARTE APPLICATION FOR
TEMPORARY RESTRAINING ORDER**

Date: August 18, 2008
Time: 12:00 p.m.
Judge: Hon. Larry Burns
Place: Courtroom 9

ORAL ARGUMENT REQUESTED

1 I, Peter M. Ellis, declare under penalty of perjury as follows:

2 1. I am a partner with DLA Piper US LLP, counsel of record for Plaintiffs Mail
3 Boxes Etc., Inc. ("MBE") and United Parcel Service of America, Inc.'s ("UPS") in the above-
4 captioned action. I am a member of the bar of the State of Illinois and have been admitted *pro*
5 *hac vice* in this action to practice before this Court. I have personal knowledge of each of the
6 facts set forth in this declaration and if required, could and would competently testify thereto.

7 2. On August 6, 2008, I contacted Defendant Joseph Chan by telephone and gave him
8 the following notice: "Mail Boxes Etc., Inc. will be appearing on Monday, August 18, 2008 at
9 12:00 p.m. or as soon thereafter as the matter may be heard before the Honorable Larry Burns of
10 the Southern District Court, located at U.S. District Court 940 Front Street, San Diego, California,
11 92101, for a temporary restraining order restraining you from using MBE's trademarks without
12 authorization." I also indicated that, given the strong preference to allow parties opposing
13 temporary restraining orders a reasonable opportunity to file an opposition embodied in Rule 5 of
14 the Chamber Rules for the Honorable Larry Burns, "Defendants could oppose the *ex parte*
15 application but had to do so by mid-day on August 13, 2008; a copy of any opposition must also
16 be provided to Judge Burns in chambers by that deadline."

17 3. I attach hereto supporting papers for the *ex parte* application, including the verified
18 complaint and exhibits, the Application and Memorandum of Points and Authorities in Support,
19 the Declarations of Don Higginson, Nancy Pemberton, Robert D. Rodriguez, and Peter M. Ellis
20 and all exhibits. These documents were sent out for personal service on Defendants on August 6,
21 2008.

22 I declare under penalty of perjury under the laws of the State of California and the United
23 States of America that the foregoing is true and correct.

24 Executed this 6th day of August 2008, at Chicago, Illinois.

25
26 
PETER M. ELLIS

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17 SERVICE OF AMERICA, INC.

18 UNITED STATES DISTRICT COURT
19 SOUTHERN DISTRICT OF CALIFORNIA

20 MAIL BOXES ETC., INC., and UNITED
21 PARCEL SERVICE OF AMERICA, INC.

22 Plaintiffs,

23 v.

24 UNITED POSTAL BUSINESS CENTER,
25 JOSEPH CHAN, individually, STANLEY
26 CHAN, individually,

27 Defendants.

CASE NO. 08-CV-1383 LAB (BLM)

**DECLARATION OF DON HIGGINSON IN
SUPPORT OF MAIL BOXES ETC., INC.'S
APPLICATION FOR TEMPORARY
RESTRAINING ORDER**

Date: August 18, 2008

Time: 12:00 p.m.

Judge: Hon. Larry Burns

Place: Courtroom 9

ORAL ARGUMENT REQUESTED

1 I, Don Higginson, declare:

2 1. I am over the age of 18. I have personal knowledge of the matters set forth below,
3 and if called and sworn as a witness, I could and would testify competently and from personal
4 knowledge as to the following matters.

5 2. I am currently Plaintiff Mail Boxes Etc., Inc.'s ("MBE") Senior Vice President of
6 Franchise Relations. In April 1992, I was Senior Franchise Counsel in the MBE Legal
7 Department. In my former capacity as Senior Franchise Counsel, and in my current capacity as
8 Senior Vice President, I am familiar with the training, resources, and support that MBE provides
9 to its franchisees.

10 3. MBE is the world's largest franchisor of independently owned and operated postal,
11 business and communications centers, with more than 800,000 mailbox holders in the United
12 States and thousands of locations worldwide, offering mail and parcel receiving, packaging, and
13 shipping services and providing small businesses with a wide range of products and services
14 across the United States and throughout the world.

15 4. Throughout its existence, MBE has offered and provided services including:
16 mailbox services with 24 hour access; copy services; binding and laminating services; specialty
17 paper services; fax services; postal services; parcel shipping; freight shipping; packaging services;
18 sale of shipping, packaging, mailing supplies and office supplies; printing services; notary
19 services; passport photograph services; computer time rental; online services; among other
20 services, all identified and promoted to the general public under the trademark, service marks, and
21 trade names MAIL BOXES ETC.[®], MBE MAIL BOXES ETC., and more recently, The UPS
22 Store[®].

23 5. UPS is the owner of, *inter alia*, the following trademark and service mark
24 registrations issued by the United States Patent and Trademark Office for the following
25 trademarks and service marks, which have not been canceled, are now and have been valid at all
26 times pertinent, and are in full force and effect (collectively referred to herein as the "Marks"):

27 ////

28 ////

REGISTRATION /APPLICATION NUMBER	DESCRIPTION OF MARK	PRINCIPAL OR SUPPLEMENTAL REGISTER	REGISTRATION DATE	CLASS
78/818,815	TUPSS	Principal	Pending	35,39
2,884,954	THE UPS STORE	Principal	Sept. 14, 2004	9, 35, 38, 39
76/442,507	UPS STORE	Principal	Pending	9
76/491,153	UPS STORE	Principal	Pending	35, 39
78/818,815	TUPSS	Principal	Pending	36
2,978,624	UPS & Stylized Shield Device (b/w)	Principal	July 26, 2005	36
2,978,625	UPS & Stylized Shield Device (color)	Principal	July 26, 2005	39
2,867,999	UPS & Stylized Shield Device (b/w)	Principal	July 27, 2005	39
2,868,000	UPS & Stylized Shield Device (color)	Principal	July 27, 2004	9, 16, 22, 35, 38, 42
2,973,108	UPS & Stylized Shield Device (b/w)	Principal	July 19, 2005	9, 16, 25, 35, 38, 42
2,981,794	UPS & Stylized Shield Device (color)	Principal	August 2, 2005	9, 16, 25, 35, 38, 42
2,973,599	UPS & Stylized Shield Device (color)	Principal	July 19, 2005	35, 36, 41
2,965,392	UPS & Stylized Shield Device (b/w)	Principal	July 5, 2005	35, 36, 41
78/441,655	UPS & Stylized Shield Device (b/w)	Principal	October 17, 2006	24, 28
2549434	MBEMAIL	Principal	March 19, 2002	38
2348287	MBE	Principal	May 9, 2000	35
1505212	MBE MAIL BOXES ETC Design	Principal	September 20, 1988	39
1726118	MBE & Design	Principal	October 20, 1992	35, 38, 39

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1 6. UPS' registration of the Marks with the United States Patent and Trademark
2 Office grants them "incontestable" status under the Lanham Act, 15 U.S.C. §1065. UPS is the
3 current owner of the Marks listed above and has licensed the use of those Marks through affiliates
4 to MBE.

5 7. With almost 4,200 Mail Boxes Etc. and The UPS Store™ franchises, MBE is the
6 predominant leader in this industry. Through its more than twenty years of experience, MBE has
7 developed unique, proprietary business knowledge upon which the franchisee business model is
8 specifically formulated. This information is shared with MBE's carefully selected franchisees
9 through training and continuous business support, and provides the foundation upon which MBE
10 franchisees successfully operate postal, packaging and communications centers in markets
11 throughout the United States and abroad.

12 8. MBE grants franchises to qualified persons to own and operate franchise centers at
13 specific locations and grants limited, conditional licenses to use MBE's proprietary trade names,
14 trade and service marks, logos, know-how and expertise within an exclusive territory designated
15 in the franchise agreement.

16 9. The postal, packaging, and communications business is complicated and requires
17 expertise and knowledge not known to the general public. Examples of the aforementioned
18 include, but are not limited to: (a) developing detailed familiarity with the products, services and
19 terminology of the industry, (b) understanding which services and products generate the highest
20 commercial margins, (c) learning how to maximize these potential profit centers, (d) developing
21 expertise in alternative shipping materials and the art of properly packaging any item regardless
22 of size, shape or other challenging characteristics, (e) amassing reliable working knowledge of the
23 rules and regulations relating to sizes, weights, prohibited items and international requirements
24 for shipping, (f) learning how to handle claims for lost and broken shipped items appropriately,
25 and (g) understanding how to operate complex machinery, including industrial copy machines,
26 facsimile, binding and laminating devices and passport photography equipment.

27 ////

28 ////

1 10. New franchisees frequently have little or no background in the postal, packaging,
2 and communications business. Accordingly, MBE must train all its franchisees in every aspect
3 necessary to run a successful MBE Center.

4 11. From the onset of the franchise relationship, MBE assists its new franchisees with
5 choosing the site location for their MBE Center. Using marketing studies and complex
6 demographic models developed by MBE, MBE can identify the most ideal location within a
7 given territory in which to locate the new franchisee's MBE Center.

8 12. MBE provides extensive initial and continued training to its franchisees. At the
9 outset, MBE requires the mandatory attendance of every franchisee at MBE University, which
10 provides new franchisees with an intensive "crash-course," immersing students in all of the
11 critical information they need to open and successfully operate an MBE franchise. In the MBE
12 University training curriculum, new franchisees learn the business management, retail and sales
13 skills specific to this rather unique industry that MBE has developed over the last 20 years.

14 13. Among other things, MBE conveys the following proprietary information and
15 expertise to new franchisees to equip them with the necessary skills to operate a successful postal,
16 packaging and communications center: (a) MBE's business model, (b) MBE's product and
17 service pricing systems, (c) MBE's customer service methods, (d) MBE's business strategies, (e)
18 MBE's preferred vendors, (f) MBE's marketing methods, (g) MBE's advertising theory and
19 policies, (h) MBE's accounting and record-keeping methods, (i) effective approaches for hiring,
20 firing and managing employees, (j) MBE's proven sales methods for its products and services,
21 and (k) virtually every other business and technical skill needed to operate a postal, packaging
22 and communications center on a day-to-day basis.

23 14. MBE loans to each franchisee a copy of its confidential operational manual which
24 contains information on supplies, merchandise, sales, services, equipment, marketing, and
25 advertising. In addition, franchisees have access to MBE's proprietary pricing information,
26 record keeping systems, accounting information, training programs, merchandising information
27 and advertising information, as well as marketing and demographics specific to any given
28 franchisee's area.

1 15. MBE leases to each franchisee its MBE Business Management System. This
2 copyrighted Business Management System allows franchisees to track and sort royalty,
3 accounting, and cash register data. The MBE Business Management System provides the
4 franchisee with the complete accounting, administrative, and financial computer system needed to
5 operate its MBE Center.

6 16. MBE imparts all of this to its franchisees solely to facilitate their efforts to operate
7 an MBE franchise with the greatest level of customer service quality and financial success. MBE
8 protects a large percentage of the aforesaid information as confidential trade secrets. As such,
9 MBE requires the confidentiality of such information in its Franchise Agreement and mandates
10 the return of all such information at the end of its relationship with a franchisee. MBE operates
11 with the expectation that it is contractually and legally protected from any improper use of its
12 trade secrets.

13 17. The operation of a store utilizing the Marks, which sells substantially products and
14 services, confuses the local customer base into believing that the business is an authorized UPS
15 shipping outlet or associated with the MBE network. MBE's inability to ensure the maintenance
16 of its high standards of service and quality of such business risks irreparably harming and diluting
17 its brand, image and goodwill.

18 18. The continued operation of postal, packaging and communications centers,
19 offering similar products, services and means of doing business, in stores that claim to be
20 authorized shipping outlets but are not, and without authorization use the Marks, makes it
21 impossible from a practical standpoint for MBE to properly protect its interests in the Marks and
22 other intellectual property.

23 19. On July 1, 2008, a cease and desist letter was sent to the Chans demanding that,
24 among other things, the Chans cease all unauthorized use of Plaintiffs' Marks. A true and correct
25 copy of the July 1, 2008 Cease and Desist Letter is attached hereto as Exhibit 1.

26 20. Despite this warning, the Chans have continued in their unauthorized use of the
27 Marks in connection with their UpBC businesses.

28 ////

1 I declare under penalty of perjury under the laws of the State of California and the United
2 States of America that the foregoing is true and correct.

3 Executed this 5th day of August 2008, at San Diego, California.


4 
5 DON HIGGINSON

EXHIBIT 1



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T 312.368.2197
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July 1, 2008

FACSIMILE AND UPS OVERNIGHT DELIVERY

Stanley and Joseph Chan
180 Golf Club Blvd.
Pleasant Hill, CA 94523

Re: **CEASE AND DESIST: Regarding MBE Franchise Center 2701 at 180 Golf Club Blvd., Pleasant Hills, CA 94523**

Dear Messrs. Stanley and Joseph Chan:

We have been retained by Mail Boxes Etc., Inc. ("MBE") to represent MBE in connection with its potential claims against you. It has recently come to our attention that you are operating an independent packing and shipping business under the name "United postal Business Center" ("UpBC") in violation of your franchise agreement for The UPS Store® Center No. 2701 (the "Franchise Agreement"). Based upon information provided to MBE and the UpBC website, UpBC offers services competitive with, and substantially similar to, those offered by MBE Franchise Center 2701 and other MBE Franchise Centers, including, but not limited to: packing; shipping; and mail box rentals. In connection therewith, UpBC maintains the following business locations:

- 113 Estallo Ave., San Leandro, CA 94577;
- 2590 Durant Ave., Berkley, CA 94704;
- 180 Golf Club Blvd., Pleasant Hill, CA 94523; and until recently
- 733 Stevenson Street, San Francisco, CA 94105.

As you are well aware, 180 Golf Club Blvd. is, in fact, the designated location of The UPS Store® Center 2701 and yet, you are actively advising MBE customers that the business is both a UpBC store and a The UPS Store®. Further, the two additional current UpBC locations are located within close proximity to other MBE Centers. Operation of each of these UpBC stores constitutes a material breach of your obligations under the Non-Competition and Non-Solicitation Agreement (the "Non-Competition Agreement") executed in connection with the Franchise Agreement. Specifically, this conduct violates the in-term contractual obligations of the Non-Competition Agreement, not to "own, maintain, engage in, be associated with, be employed by, advise, assist, invest in, be landlord to, franchise, make loans to or have any interest in any business which is the same or competitive with or substantially similar to any Mail Boxes Etc. or The UPS Store® Center." Additionally, we have been advised that you are improperly processing UPS shipments from your UpBC business utilizing your MBE franchisee UPS Shipping number in violation of your UPS Contract Carrier Agreement.

As a result of your material breaches of the Non-Competition Agreement and Contract Carrier Agreement, you are also in violation of the Franchise Agreement. Accordingly, MBE hereby gives notice of material default under the Franchise Agreement and reserves its right to terminate the Franchisee



Stanley and Joseph Chan
July 1, 2008
Page Two

Agreement immediately without further notice as well as all rights associated therewith, including enforcement of all post-termination obligations.

Furthermore, it is our understanding that you are utilizing MBE's proprietary trade dress and operating systems (including certain signage, printed receipts and the MBE Mailbox Service Agreement, among other things) in connection with your operation of at least one of the UpBC locations. This conduct constitutes a violation of federal and state trademark laws as well as trade secret infringement. MBE demands that you immediately cease all unauthorized use of its Marks and Systems.

MBE will not tolerate your unauthorized use of the MBE Marks and Systems or blatant breach of the Non-Competition Agreement and UPS Contract Carrier Agreement. Consequently, please be advised that if you do not immediately take steps to cease all violations of the Franchise Agreement, Non-Competition Agreement and Contract Carrier Agreement, MBE will immediately, without further notice, terminate your Franchise Agreement and seek to enforce its legal rights by filing a lawsuit to protect its trademarks, trade names, trade dress and copyrights and to enforce the Non-Competition Agreement. MBE will instruct your area franchisee to visit Center 2701 and the UpBC locations within the next five (5) days to confirm your compliance with this Cease & Desist notice.

Please give this matter your immediate attention.

Very truly yours,

DLA Piper US LLP

A handwritten signature in black ink, appearing to read 'Peter M. Ellis', written over the typed name.

Peter M. Ellis

cc: Mail Boxes Etc., Inc.

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15 Attorney for Plaintiffs
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17 SERVICE OF AMERICA, INC.

11 UNITED STATES DISTRICT COURT
12
13 SOUTHERN DISTRICT OF CALIFORNIA

14 MAIL BOXES ETC., INC., and UNITED
15 PARCEL SERVICE OF AMERICA, INC.

16 Plaintiffs,

17 v.

18 UNITED POSTAL BUSINESS CENTER,
19 JOSEPH CHAN, individually, STANLEY
20 CHAN, individually,

21 Defendants.

CASE NO. 08-CV-1383 LAB (BLM)

**DECLARATION OF NANCY
PEMBERTON IN SUPPORT OF MAIL
BOXES ETC., INC.'S APPLICATION FOR
TEMPORARY RESTRAINING ORDER**

Date: August 18, 2008
Time: 12:00 p.m.
Judge: Hon. Larry Burns
Place: Courtroom 9

ORAL ARGUMENT REQUESTED

1 I, Nancy Pemberton, being first duly sworn upon my oath, state:

2 1. I am an adult person over the age of 18 years old. I have personal knowledge of
3 the matters set forth below and can competently testify to them if and when called upon to do so.

4 2. I am the sole proprietor of Pemberton and Associates, a private investigative and
5 mitigation specialist company located at 600 Townsend Street, Suite 329E, San Francisco, CA
6 94103. I have been providing private investigative services for twenty years.

7 3. On July 23, 2008, I was contacted and retained by counsel from the law firm of
8 DLA Piper US LLP to perform investigative services at three California Bay Area postal,
9 business and communications centers operating under the trade name of United postal Business
10 Services ("UpBC").

11 4. Thereafter, on that same date, at my direction, I caused an investigator associated
12 with my office to visit the three UpBC shipping centers located at (1) 2590 Durant Avenue,
13 Berkeley, CA; (2) 133 Estudillo Avenue, San Leandro, CA; and (3) 180 Golf Club Road, Pleasant
14 Hill, CA, respectively.

15 5. During the visits to the three UpBC locations, I instructed my colleague to, among
16 other things, take photographs of the inside and exterior of each location. A true and correct copy
17 of photographs taken at 2590 Durant Avenue, Berkeley, CA and 133 Estudillo Avenue, San
18 Leandro, CA locations are attached hereto as Exhibit 1.

19 6. These photographs illustrate that the UpBC center located at 2590 Durant Avenue,
20 Berkeley, CA has the "UPS" signage prominently displayed both in its front window and inside
21 the store on a banner that also states that the location is an "Authorized Shipping Outlet."

22 7. Similarly, the photographs illustrate that the UpBC center located at 133 Estudillo
23 Avenue, San Leandro, CA displays "UPS" signage on the exterior of that location.

24 I declare under penalty of perjury under the laws of the State of California and the United
25 States of America that the foregoing is true and correct.

26 Executed this 6th day of August 2008, at San Francisco, California.

27 
28 NANCY PEMBERTON

-1-

EXHIBIT 1



United postal Business Center

Exhibit 1, Page 1



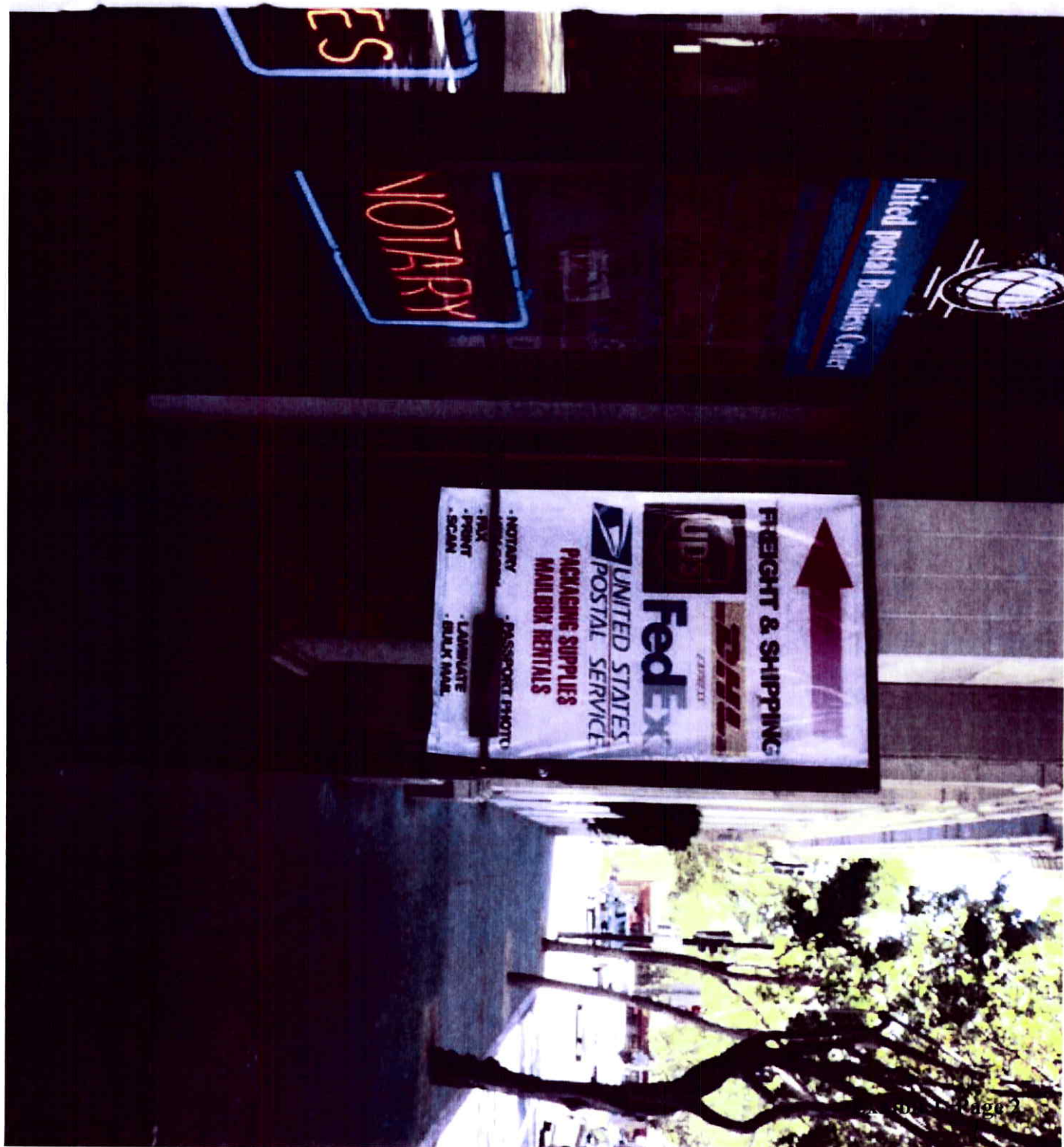
FedEx®



**Freight/Shipping
Packaging Supplies
Mailbox Rentals**

Notary	Passport Photo
Key Copy	Finger Print
Fax	Copy & Bind
Print	Laminate
Scan	Bulk Mail







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15 Attorney for Plaintiffs
16 MAIL BOXES ETC., INC. and UNITED PARCEL
17 SERVICE OF AMERICA, INC.

18 UNITED STATES DISTRICT COURT
19 SOUTHERN DISTRICT OF CALIFORNIA

20 MAIL BOXES ETC., INC., and UNITED
21 PARCEL SERVICE OF AMERICA, INC.

22 Plaintiffs,

23 v.

24 UNITED POSTAL BUSINESS CENTER,
25 JOSEPH CHAN, individually, STANLEY
26 CHAN, individually,

27 Defendants.

CASE NO. 08-CV-1383 LAB (BLM)

**DECLARATION OF ROBERT D.
RODRIGUEZ IN SUPPORT OF MAIL
BOXES ETC., INC.'S APPLICATION FOR
TEMPORARY RESTRAINING ORDER**

Date: August 18, 2008

Time: 12:00 p.m.

Judge: Hon. Larry Burns

Place: Courtroom 9

ORAL ARGUMENT REQUESTED

1 I Robert D. Rodriguez, being first duly sworn upon my oath, state:

2 1. I am an adult person over the age of 18 years old. I have personal knowledge of
3 the matters set forth below and can competently testify to them if and when called upon to do so.

4 2. I am the principle shareholder of Robert Rodriguez & Associates, LLC, a security
5 company and private investigative company located at 2269 Chestnut Street, San Francisco, CA
6 94123. I am a former United States Secret Service Special Agent with over twenty-two years of
7 investigative experience.

8 3. On June 16, 2008, I was contacted and retained by counsel from the law firm of
9 DLA Piper US LLP to perform investigative services at three California Bay area postal,
10 business, and communications centers operating under the trade name of United postal Business
11 Services ("UpBC").

12 4. On June 18, 2008, I caused an investigator from my office to visit the three UpBC
13 shipping centers located at (1) 2590 Durant Avenue, Berkeley, CA; (2) 133 Estudillo Avenue,
14 San Leandro, CA; and (3) 180 Golf Club Road, Pleasant Hill, CA. During the visits to the three
15 UpBC locations, I instructed my colleague to, among other things, ship a package via UPS and
16 collect transaction receipts from those transactions.

17 5. The transaction receipt from the purchase of services on June 18, 2008 from the
18 UpBC located at 2950 Durant Avenue, Berkley CA is attached hereto as Exhibit 1.

19 I declare under penalty of perjury under the laws of the State of California and the United
20 States of America that the foregoing is true and correct.

21 Executed this 6th day of August 2008, at San Francisco, California.

22
23 
24 ROBERT D. RODRIGUEZ

EXHIBIT 1

***** SALE *****
 Mail Boxes Etc.
 Making Business Easier. Now!

dwida.

 Shift:0527 Drw:01 ID:489 Clerk:Connica
 6/18/2008 11:37:51

Center #0
 2590 Durant Ave
 Berkeley, CA 94704
 Phone 510-849-1305

Qty	Description	Unit	Ext
1	Shipping	20.00	20.00

Sub Total: 20.00
 Total Sale: 20.00

Cash: 20.00
 Change: 0.00

Thank You For Coming To Up8C
 Tel# 510-859-1305
 Fax # 510-859-3117

Visit our Web Site at: WWW.MBE.COM

***** SALE *****
 Mail Boxes Etc.
 Making Business Easier. Now!

dwida.

 Shift:0527 Drw:01 ID:488 Clerk:Connica
 8/18/2008 11:36:50

Center #0
 2590 Durant Ave
 Berkeley, CA 94704
 Phone 510-849-1305

Qty	Description	Unit	Ext
-1	Shipping	21.66	21.66

Sub Total: 21.66
 Total Sale: 21.66

Cash: 21.66
 Change: 0.00

Thank You For Coming To Up8C
 Tel# 510-859-1305
 Fax # 510-859-3117

Visit our Web Site at: WWW.MBE.COM



Main: 133 Estudillo Avenue San Leandro, CA 94577
 Branch: 180 Golf Club Road Pleasant Hill, CA 94523
 2590 Durant Ave. Berkeley, CA 94704
 111 Quint Street, San Francisco, CA 94124
 Web Address: www.UPBC.biz

Tel.: 510-346-6245
 Tel.: 925-798-8849
 Tel.: 510-849-1305
 Tel.: 415-362-8282
 Email: info@UPBC.biz

"Partners in your success!"

Shipping Order/Quotation Form

We offer the LOWEST UPS published retail rate

Mailbox Rental, Packaging Supplies & Services, Passport Photo, Rubber Stamp, Greeting Card, Business Card & Stationery, Offset Printing, Computer & IT Services, Fax, B/W & Color Copy, Key Duplication, Mobile & Onsite Notary Public, Custom Crate & Freight Services, Authorized UPS, DHL, FedEx & USPS Shipper.

1. Please complete this form for a quote. Quotes will be filled in by an authorized store personnel.
2. Information you provide is confidential and will not be used in any manner beyond this transaction.
3. All quotes are estimates only and prices may change due to packing requirements and packing material weight.
4. All shipments are subject to the terms and conditions including the published responsibility for loss or damage of the shipping carrier selected by the customer.
5. You are responsible for picking up undeliverable and returned shipments within 15 days at the store, otherwise you will be charged for storing and/or disposing the package(s).

Your Name: Stephen L. Brown Your Business Name (if applicable): _____

Your Phone Number and/or Email Address: 650 504 5261

Information about your shipment:

Origination Address (shipped from): 540 Chesterton Ave

City: BELMONT State: CA Zip Code: 94002

Destination Name of Recipient: N. RA GUMBICKI Business Name: _____

Address (shipped to): 203 N. LASALLE Suite 1900

City: CHICAGO CHICAGO State: ILLINOIS Zip Code: 60601

Country: USA Phone #: _____

Shipping Carrier Desired: UPS DHL FedEx USPS Others (please specify) _____

Shipping Service Desired: Next Day 2nd Day 3 Days Ground/Economy Others (please specify) _____

Item No.	Weight (in pounds)	Size (in inches) WxDxH	Description of Item	Amount of Insurance Coverage	Type of Packing (Circle choice if needed):	Estimated Shipping Cost
1	2 LBS			\$	Regular or Fragile	
2	13 x 10 x 5			\$	Regular or Fragile	
3			UPBC014080618035	\$	Regular or Fragile	
4			UPS Reference No.	\$	Regular or Fragile	

Customer is solely responsible for Amount of Insurance Coverage and Type of Packing (Regular/Fragile). UPBC will not be held liable for insufficient insurance or damage/rejection of insurance claim due to inadequate packing when Regular packing is chosen or when customer packed the shipment.

Quoted/Shipper By: _____ Customer Authorization to Ship: _____

File: UPBCShippingOrderForm[2].doc Date: _____

Exhibit 1, Page 2